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LEGISLATIVE HISTORY

Public Law 87-47
H. R. 4940

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INDEX AND SUMMARY OF H. R. 4940

Jan. 6, 1961 Rep. Keogh introduced H. R. 1943 which was referred to the House Ways and Means Committee. Print of bill.

Feb. 27, 1961 Rep. Watts introduced H. R. 4940 which was referred to the House Ways and Means Committee. Print of bill.

May 1, 1961 House committee voted to report H. R. 4940.

May 8, 1961 House committee reported H. R. 4940 with amendments. H. Report No. 362. Print of bill and report.

May 10, 1961 House passed H. R. 4940 as reported.

May 11, 1961 H. R. 4940 was referred to the Senate Finance Committee. Print of bill as referred.

May 18, 1961 Senate committee reported H. R. 4940 without amendment. S. Report No. 274. Print of bill and report.

May 26, 1961 Senate passed H. R. 4940 without amendment.

June 16, 1961 Approved: Public Law 87-47.

DIGEST OF PUBLIC LAW 87-47

PHILIPPINE-TOBACCO IMPORTS. Provides that only those tobacco exports licensed by the Philippine Government for shipment to the United States would be eligible for admission into the United States under the duty-free quota applicable to Philippine tobacco.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1961

Mr. KEOGH introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

Relating to duty-free imports of Philippine tobacco.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the duty-free treatment provided for scrap tobacco
4 and filler tobacco described in item B in the schedule to
5 paragraph 2 of article II of the agreement between the
6 United States of America and the Republic of the Philip-
7 pines concerning trade and related matters during a transi-
8 tional period following the institution of Philippine inde-
9 pendence, signed at Manila on July 4, 1946, as revised by
10 the agreement of September 6, 1955, shall apply to only
11 such Philippine articles falling within the class specified in

1 item B in the schedule to that paragraph 2 of article II
2 which were imported into the United States on or prior to
3 said September 6, 1955, and are certified by the Government
4 of the Republic of the Philippines to have been allocated for
5 exportation to the United States of America free of duty
6 under the paragraph.

7 SEC. 2. This Act will enter into force on the thirtieth
8 day after the date of its enactment.

87TH CONGRESS
1ST SESSION

H. R. 1943

A BILL

Relating to duty-free imports of Philippine tobacco.

By Mr. Keogh

JANUARY 6, 1961

Referred to the Committee on Ways and Means

87TH CONGRESS
1ST SESSION

H. R. 4940

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1961

Mr. WATTS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

Relating to duty-free imports of Philippine tobacco.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the duty-free treatment provided for cigar-type tobacco
4 and filler tobacco described in item B in the schedule to para-
5 graph 2 of article II of the agreement between the United
6 States of America and the Republic of the Philippines con-
7 cerning trade and related matters during a transitional period
8 following the institution of Philippine independence, signed
9 at Manila on July 4, 1946, as revised by the agreement
10 of September 6, 1955, shall apply to only such Philippine
11 articles falling within the class specified in item B in the

1 schedule to that paragraph 2 of article II which were im-
2 ported into the United States on or prior to said Septem-
3 ber 6, 1955, and are certified by the Government of the
4 Republic of the Philippines to have been allocated for ex-
5 portation to the United States of America free of duty under
6 the paragraph.

7 SEC. 2. This Act will enter into force on the thirtieth day
8 after the date of its enactment.

87TH CONGRESS
1ST SESSION

H. R. 4940

A BILL

Relating to duty-free imports of Philippine
tobacco.

By Mr. WATTS

FEbruary 27, 1961

Referred to the Committee on Ways and Means

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE
(For Department
Staff Only)

Issued May 2, 1961
For actions of May 1, 1961
87th-1st, No. 72

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HIGHLIGHTS: President approved depressed areas bill. Conferees agreed to file report on minimum wage bill. Rep. Cunningham introduced and discussed bill to establish Department of Small Towns and Rural Affairs.

HOUSE

1. FARM LABOR. Rep. Sisk reported from the Rules Committee a resolution for the consideration of H. R. 2010, to extend the Mexican farm labor program for an additional 2 years until December 31, 1963. pp. 6529, 6538
2. MINIMUM WAGE. Conferees agreed to file a report on the differences between the Senate-and House-passed versions of H.R. 3935, the minimum wage bill (p. D297). The "Daily Digest" states as follows: "As agreed by the conferees, the bill would (1) extend minimum wage coverage to approximately 3.6 million workers (provisions for extended coverage to employees of laundry establishments and automobile dealers were deleted from the bill), (2) establish the 5-year escalation period to reach the minimum wage of \$1.25, and the 40-hour workweek, and (3) adopt the so-called 'inflow' test, which means that retail and service enterprises would be covered by the bill, only if they met the following test: (a) the employer must be engaged in commerce or the production of goods for commerce, (b) the employer must receive \$250,000 worth of goods, for resale, which have moved across State lines (so-called 'inflow' test), and (c) the employer must have an annual gross volume of sales of not less than \$1 million, exclusive of excise taxes at the retail level."
3. SEEDS; RESEARCH. Passed as reported H. R. 2041, to remove the restriction on the interstate shipment of water-hyacinth plants or seeds to certain areas where the plants are unable to survive winter weather. p. 6522

4. ADMINISTRATIVE ORDERS. Passed without amendment H.R. 5656, to provide for reasonable notice of applications to the U. S. courts of appeals for interlocutory relief against the orders of certain administrative agencies. p. 6522

5. PUBLIC LANDS. Passed as reported H.R. 2280, to provide for the withdrawal of certain public lands 40 miles east of Fairbanks, Alaska, for use by the Department of the Army as a Nike range, and H. R. 2281, to reserve for use by the Department of the Army at Fort Richardson, Alaska, certain public lands in the Campbell Creek area. pp. 6524-5

6. VEHICLES. Passed as reported H.R. 2883, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment. p. 6526

7. LANDS. Passed without amendment H. R. 5416, to include within the boundaries of Joshua Tree National Monument in California, certain donated lands used in connection with the monument. pp. 6526-7

8. URBAN AFFAIRS. Rep. Green, Oreg., inserted a resolution from the Portland Association of Building Owners and Managers commending the President's decision to create a Department of Urban Affairs. p. 6528

9. GOVERNMENT ETHICS. Received from the President a draft of a proposed bill "to supplement and revise the laws prescribing restrictions against conflicts of interest applicable to employees of the executive branch of the Government of the United States"; to Judiciary Committee. p. 6537

10. IMPORTS. The Ways and Means Committee voted to report (but did not actually report) H. R. 6611, to reduce temporarily the exemption from duty enjoyed by returning U. S. residents. p. D297

11. WITHHOLDING TAX. The Ways and Means Committee voted to report (but did not actually report) H. R. 2017, providing for the withholding of income taxes on the compensation of Federal employees for purposes of the income tax imposed by certain cities. p. D297

12. TOBACCO. The Ways and Means Committee voted to report (but did not actually report) H.R. 4940, to provide for the modification of import duties on certain types of Philippine tobacco. p. D297

SENATE

13. FORESTRY. Sen. Wiley inserted a letter from the general chairman of the Lake States Forest Fire Research Conference favoring an expanded program of research on new methods for control of forest fires. p. 6498

14. RESEARCH. Received from GSA the semi-annual report on contracts negotiated for experimental, developmental, and research work. p. 6477

15. FOREIGN AID. Sen. Wiley inserted several letters from business leaders favoring greater utilization of private enterprise to support and further the objectives of U. S. foreign policy. pp. 6492-6

16. NOMINATION. Confirmed the nomination of Richard M. Scammon to be Director of the Census Bureau. p. 6517

17. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the conference report on H. R. 3935, the minimum wage bill, will probably be considered on Wed. p. 6476

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE
(For Department
Staff Only)

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87th-1st, No. 76

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HIGHLIGHTS: House committee reported bill to authorize temporary reapportionment of pooled acreage allotments.

HOUSE

1. ACREAGE ALLOTMENTS. The Agriculture Committee reported with amendments S. 1372, to authorize the temporary release and reapportionment of pooled acreage allotments (H. Rept. 365). p. 7069
2. TOBACCO. The Ways and Means Committee reported without amendments H. R. 4940, to establish for scrap and filler tobacco originating in the Philippines certain requirements to be met before such tobacco could enter the U. S. duty-free (H. Rept. 362). p. 7069
3. TRAVEL ALLOWANCES; PERSONNEL. As reported by the Government Operations Committee H. R. 3279, to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, provides as follows:

Increases the maximum per diem allowance from its present rate of \$12 per day to \$16 per day;

Increases to \$30 from its present \$25 the maximum allowance for official travelers authorized to be paid on an actual expense basis;

Increases to \$16 the maximum per diem for intermittent employees and persons serving the Government without compensation;

Increases to 8 cents per mile the present 6-cent allowance for the use of motorcycles;

Increases to 12 cents per mile the present 10-cent allowance for the use of privately owned automobiles on official business;

Authorizes the payment to employees of parking fees incurred while using privately owned vehicles for official purposes;

Transfers to the President authority now vested in the Bureau of the Budget to establish per diem rates outside the continental United States;

Allows reimbursement on an actual expense basis up to \$10 in excess of the set per diem rate for employees traveling outside the continental limits of the United States in unusual circumstances;

Preserves the special status of Alaska as a high expense area;

Raises per diem of certain State Department advisory committees from \$10 to the regularly established per diem.

SENATE

4. WATER RESOURCES. The Subcommittee on Flood Control and Rivers and Harbors of the Public Works Committee approved for consideration by the full committee S. 811, to establish a Wabash Basin Interagency Water Resources Commission. p. D322
- Sen. Hickey inserted an address by George Dana, chief of the ground water development, Wyoming Natural Resources Board, on the ground water development program in Wyoming. pp. 7008-10
5. FISCAL POLICIES. Sen. Proxmire inserted statements by Budget Bureau Director Bell in response to questions presented to him by Sen. Proxmire regarding "the economic policy of the administration," including increases in CCC expenditures for the feed grain program, increases in expenditures for public works and resource conservation projects, use of taxation for economic stabilization purposes, and the balance-of-payments situation. pp. 6966-8
6. FOREIGN AID. Sen. Fong expressed opposition to proposed amendments of the Battle Act to grant the President authority to extend economic and financial aid to certain Communist countries who export armaments or strategic materials to Russia or Russian-dominated countries. pp. 7031-3
7. NOMINATION. Received the nomination of William L. Batt, Jr., to be Area Redevelopment Administrator, Department of Commerce. p. 7033
8. SOIL BANK. Sen. Proxmire inserted a Brown County, Wisc., Board of Supervisors resolution urging that future soil bank contracts include a provision providing for the establishment of fire prevention breaks on unattended lands in the soil bank program. pp. 6947-8
9. TEXTILE IMPORTS. Sen. Ervin expressed disappointment with the seven-point program announced by the President for the textile industry and urged that friendly foreign nations be allotted quotas for the importation of textile products. p. 6960
10. LEGISLATIVE PROGRAM. Sen. Mansfield announced that S. 1215, economic aid for certain Soviet-dominated countries, and H. R. 6518, the inter-American aid bill, will be considered on Tues. p. 7002

CERTIFICATION OF QUOTAS ON CERTAIN PHILIPPINE TOBACCO

MAY 8, 1961.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLS, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H.R. 4940]

The Committee on Ways and Means, to whom was referred the bill (H.R. 4940) relating to duty-free imports of Philippine tobacco, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 3, strike out "cigar-type" and insert: "scrap".

Page 2, beginning in line 1, strike out "which were imported into the United States on or prior to said September 6, 1955, and", and insert: "as".

PURPOSE

The purpose of H.R. 4940, as amended by your committee, is to limit imports of certain Philippine tobaccos that may be charged to the U.S. duty-free quota on such products to those tobacco exports licensed by the Philippine Government for charge against the quota.

GENERAL STATEMENT

Paragraph 2 (item B) of article II of the trade agreement between the United States and the Republic of the Philippines of July 4, 1946, as revised on September 6, 1955, provided for a duty-free import quota of 6,500,000 pounds of imported scrap and filler tobaccos of Philippine origin per calendar year. Under the agreement this quota is to be reduced in progressive stages every 3 years until January 1, 1974, when the amount of the quota becomes nil. The present quota is 5,850,000 pounds per year. The Philippine Government has historically allocated the tariff-free quota among its tobacco producers

2 CERTIFICATION OF QUOTAS ON CERTAIN PHILIPPINE TOBACCO

based upon their past production records. To assure that the producers will receive the benefit of their allocated portions of the quota, the Philippine Government has controlled exports of such merchandise to the United States through an export licensing arrangement. Traditionally the tobacco exported from the Philippines to the United States has been of the cigar-filler types. The Philippine Government's export licensing arrangement has also had the effect of safeguarding the interests of traditional U.S. importers of such Philippine tobacco.

Recently, however, considerable quantities of low-quality, Flue-cured tobacco, grown in the Philippines, have been exported to the United States. Although such tobacco was not licensed by the Philippine Government for export to the United States, it was shipped to a third country and later transshipped to the United States. Under existing law, U.S. customs authorities are obliged to admit such tobacco duty-free under the quota. The charge of this tobacco against the quota results in a reduction in the duty-free quantities which the licensed exporters in the Philippines might otherwise ship to the United States and enter duty-free. The admittance of such tobacco duty-free into the United States also has two adverse effects on the domestic tobacco industry. First, it permits the duty-free entry of tobacco that is in competition with domestically grown cigarette tobaccos; second, it preempts part of the duty-free quota that would otherwise go to cigar-filler types of tobacco to the disadvantage of traditional importers of cigar-filler tobacco from the Philippines and to the disadvantage of the domestic cigar industry.

Your committee's bill would prevent the circumvention of the control by the Philippine Government over the exports of Philippine tobaccos to the United States by providing that U.S. customs authorities shall only admit free of duty under the Philippine tobacco quota such tobacco as the Philippine Government has licensed for export to the United States free of duty under the provisions of paragraph 2 of article II of the Philippine-United States Trade Agreement.

Your committee is unanimous in recommending the enactment of H.R. 4940.



Union Calendar No. 123

87TH CONGRESS
1ST SESSION

H. R. 4940

[Report No. 362]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1961

Mr. WATTS introduced the following bill; which was referred to the Committee on Ways and Means

MAY 8, 1961

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

Relating to duty-free imports of Philippine tobacco.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 *That the duty-free treatment provided for cigar-type scrap*
4 *tobacco and filler tobacco described in item B in the schedule*
5 *to paragraph 2 of article II of the agreement between the*
6 *United States of America and the Republic of the Philip-*
7 *pines concerning trade and related matters during a transi-*
8 *tional period following the institution of Philippine inde-*
9 *pendence, signed at Manila on July 4, 1946, as revised by*
10 *the agreement of September 6, 1955, shall apply to only*
11 *such Philippine articles falling within the class specified in*

1 item B in the schedule to that paragraph 2 of article II which
2 were imported into the United States on or prior to said
3 September 6, 1955, and as are certified by the Government
4 of the Republic of the Philippines to have been allocated for
5 exportation to the United States of America free of duty
6 under the paragraph.

7 SEC. 2. This Act will enter into force on the thirtieth
8 day after the date of its enactment.

87TH CONGRESS
1ST SESSION

H. R. 4940

[Report No. 362]

A BILL

Relating to duty-free imports of Philippine tobacco.

By Mr. WATTS

FEBRUARY 27, 1961

Referred to the Committee on Ways and Means

MAY 8, 1961

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE
(For Department
Staff Only)

Issued May 11, 1961
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HIGHLIGHTS: House debated Mexican farm labor bill. House Rules Committee cleared bill to increase per diem travel rates. House passed bill to authorize temporary reapportionment of pooled acreage allotments. Reps. Dole, Berry, and Nygaard introduced and Rep. Dole discussed bills to establish \$2 minimum price support for 1961 wheat crop.

HOUSE

1. FARM LABOR. Began debate on H. R. 2010, to extend the Mexican farm labor program. pp. 7187-7209

Agreed to a committee amendment to extend the program for 2 years, to December 31, 1963. p. 7201

Rejected the following amendments:

By Rep. Coad, 75 to 130, providing that no workers "... shall be made available to any employer or permitted to remain in the employ of any employer for employment involving the operation of or work on power driven machinery, except in specific cases when found by the Secretary of Labor necessary for a temporary period to avoid undue hardship." pp. 7201-5

By Rep. Coad, 46 to 91, providing that no workers "... shall be made available to any employer or permitted to remain in the employ of any employer for employment in other than temporary or seasonal occupations, except in specific cases when found by the Secretary of Labor necessary for a temporary period to avoid undue hardship." pp. 7205-6

By Rep. Coad providing that, with certain exceptions, no workers "... shall be made available to any employer or permitted to remain in the employ of any employer unless the employer offers and pays to such workers wages equivalent to the average farm wage in the State in which the area of employment is located, or the national farm wage average, whichever is the lesser" pp. 7206-8

2. TOBACOO. Passed as reported H. R. 4940, to establish for scrap and filler tobacco originating in the Philippines certain requirements to be met before such tobacco could enter the U. S. duty-free. pp. 7185-6
3. TRAVEL. The Rules Committee reported a rule for the consideration of H. R. 3279, to increase the maximum rates of per diem allowance for employees of the Government traveling on official business. pp. 7209, 7227
4. ACREAGE ALLOTMENTS. Passed as reported S. 1372, to authorize the temporary release and reapportionment of pooled acreage allotments on lands acquired by agencies having the right of eminent domain. p. 7180
5. TAXATION. Passed as reported H. R. 6413, to extend to fishermen the same treatment accorded farmers in relation to estimated income tax. pp. 7184-5
6. TARIFFS. The Ways and Means Committee reported without amendment H. R. 6611, to reduce temporarily the exemption from duty enjoyed by returning residents (H. Rept. 384). p. 7226
7. MINING. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments H. R. 2924, extending the time in which to file adverse suits against mineral entries in the district of Alaska. p. D334
8. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Labor-HEW appropriation bill for 1962 will be considered on Wed., May 17. p. 7209

ITEMS IN APPENDIX

9. MINIMUM WAGE. Extension of remarks of Rep. Derwinski inserting an article, "Cynical Politics in Wage Law." pp. A3277-6
10. FARM LABOR; MARKETING ORDERS. Extension of remarks of Rep. Wharton criticizing consideration of extending the Mexican farm labor program when there is unemployment in this country and discussing the milk marketing order in his district in N. Y. "that has effectively been maneuvered by the milk corporations in a manner that has all but eliminated the family farm." p. A3279
11. COOPERATIVES. Rep. Johnson, Wisc., inserted an article, "Farmers Union Central Exchange Has Near Record Year," discussing highlights in the growth of the Exchange. pp. A3285-6
12. EXPENDITURES, APPROPRIATIONS. Rep. Pelly inserted a magazine editorial which "explains the backdoor spending loophole by which congressional spenders are able to finance programs outside the scrutiny of Committees on Appropriations . . ." p. A3289
13. PURCHASING; CONTRACTS. Rep. Multer inserted an article, "Government Requirements Contracts -- Snares for Unwary Contractors," discussing the use of term requirements contracts by the Government for the procurement of goods and services under which the contractor agrees to supply goods and services during a specific period of time at a fixed price. pp. A3293-4

of this free trade policy that the Democratic Party espouses. I think we ought to do anything we can to help them.

(Mr. PELLY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Speaker, I have long supported permitting the fishermen the same privilege as farmers with regard to filing estimated income tax forms, and I congratulate the Committee on Ways and Means for bringing H.R. 6413 to the floor of the House.

Back in 1957, I introduced similar legislation and joined the sponsor of this bill, the gentleman from California [Mr. KING] in urging that fishermen be treated as farmers and not be required to estimate their income or to pay at least 17½ percent of the estimated year's taxes by April 15 with similar payments by June 15 and September 15.

The variation of fishery resources from year to year and price fluctuations make it difficult to forecast anticipated income in the fishing business. Therefore, I have favored legislation to provide for equal treatment of fishermen with the farmers of the Nation. Of course, a fisherman is a sea farmer and needs a delay in estimating his tax.

I urge passage of H.R. 6413.

Mr. MASON. Mr. Speaker, H.R. 6413 would grant to fishermen the same treatment as is presently accorded to farmers with respect to the requirements for making a declaration of estimated income tax.

Rather than filing a declaration of estimated tax by April 15 of the taxable year and making quarterly payments of such tax, farmers are presently allowed to file the declaration of tax and paying the tax by January 15 following the taxable year.

Similar legislation passed the House during the 86th Congress. The bill was unanimously reported by the Committee on Ways and Means.

Mr. KING of California. Mr. Speaker, under present law, fishermen are required to file a declaration of estimated tax on April 15 and to make quarterly payments during the year on this estimated tax. This is a burdensome requirement because of the difficulty of estimating by April 15 what the fisherman's income will be for the full year. This bill makes available to fishermen the special system of paying estimated tax which is presently available to farmers.

Under the bill, a fisherman would not have to file any declaration of estimated tax until January 15 following the year and at that time he would have to pay the full amount of the estimated tax shown on his declaration. Probably there would not be time to have closed the books on the year by January 15 but by that time he should be able to make a close estimate of what he earned during the prior year. He would still have until April 15 to file his final tax return for the year. There would be no penalty for an underestimate of the tax if the estimate was as much as two-thirds of the actual tax due.

In addition, if the fisherman files his final return for the year and pays the

tax shown to be due on his return by February 15—instead of the usual April 15—he would not be subject to any penalty because of his January 15 estimate being too low.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CERTIFICATION OF QUOTAS ON CERTAIN PHILIPPINE TOBACCO

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consent for the immediate consideration of the bill (H.R. 4940) relating to duty-free imports of Philippine tobacco.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the duty-free treatment provided for cigar-type tobacco and filler tobacco described in item B in the schedule to paragraph 2 of article II of the agreement between the United States of America and the Republic of the Philippines concerning trade and related matters during a transitional period following the institution of Philippine independence, signed at Manila on July 4, 1946, as revised by the agreement of September 6, 1955, shall apply to only such Philippine articles falling within the class specified in item B in the schedule to that paragraph 2 of article II which were imported into the United States on or prior to said September 6, 1955, and are certified by the Government of the Republic of the Philippines to have been allocated for exportation to the United States of America free of duty under the paragraph.

SEC. 2. This Act will enter into force on the thirtieth day after the date of its enactment.

With the following committee amendments:

Page 1, line 3, strike out "cigar-type" and insert: "scrap".

Page 2, beginning in line 1, strike out "which were imported into the United States on or prior to said September 6, 1955, and", and insert: "as".

Mr. MILLS. Mr. Speaker, the purpose of H.R. 4940 which was introduced by our colleague on the committee, the Honorable JOHN WATTS, of Kentucky, and which was unanimously recommended by the Committee on Ways and Means, is to limit imports of certain Philippine tobaccos that may be charged to the United States duty-free quotas on such products to those Philippine tobaccos exported from the Philippines which have been specifically licensed by the Philippine Government for export to the United States under the quota.

In the trade agreement between the Republic of the Philippines and the United States, there is a provision for a duty-free import quota of 6,500,000 pounds of imported scrap and filler tobaccos of Philippine origin each year.

This quota is to be progressively reduced until January 1, 1974, when the amount of the quota becomes nil. The present quota is 5,850,000 pounds per year.

There is no provision in the trade agreement or in the U.S. legislation authorizing the Philippine-United States trade agreement regulating the types of tobacco that can be entered duty free under the quota, other than that the tobaccos shall be of Philippine origin and it shall be scrap and filler tobaccos. Historically the trade in Philippine tobaccos has been of the cigar-filler type and it was understood when the trade agreement was negotiated that the U.S. duty-free quota would be filled by the importation of this traditional type of tobacco. This was in the interest of U.S. cigar manufacturers and of domestic tobacco growers who were anxious to see that cigarette tobaccos would not be imported duty free under the quota.

Recently, however, considerable quantities of low-quality flue-cured tobacco, grown in the Philippines have been exported to the United States. Although such tobacco was not licensed by the Philippine Government it was shipped to a third country and later transshipped to the United States. The U.S. Customs authorities have not, under existing law, been able to exercise discretion and were obliged to admit such tobacco duty free under the quota. As a result, the quantities of duty-free tobacco which licensed exporters in the Philippines might otherwise have shipped to the United States has been reduced. This has adversely affected the traditional trade in cigar tobaccos and has caused concern to the U.S. tobacco growers.

Our committee's bill would merely give effect to the basic purposes of the United States-Philippine trade agreement by providing that only those tobacco exports licensed by the Philippine Government for shipment to the United States would be eligible for admission into the United States under the duty-free quota applicable to Philippine tobacco. Any non-licensed Philippine tobacco would be subject to duty.

Mr. MASON. Mr. Speaker, under a trade agreement in effect between the United States and the Republic of the Philippines, provision is made for a duty-free import quota of 6.5 million pounds of certain tobaccos from the Philippines in a calendar year. Provision is made for the progressive reduction of this quota every 3 years. The present quota is 5.8 million pounds per year. The Philippine Government has allocated the tariff-free quota among its tobacco producers and has controlled exports of such merchandise to the United States in order to make the quota allocations effective. Recently tobacco not licensed by the Philippine Government for export to the United States has been shipped to a third country and later transshipped to the United States. The purpose of H.R. 4940 is to prevent the circumvention of the control by the Philippine Government over exports of Philippine tobaccos to the United States and would provide that U.S. customs authorities shall admit free of duty under the Philippine tobacco quota only such

tobacco as the Philippine Government has license for export to the United States.

The Committee on Ways and Means was unanimous in favorably reporting this legislation to the House.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**PLUMBERS UNION LOCAL NO. 12
PENSION FUND**

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1877) relating to the effective date of the qualification of Plumbers Union Local No. 12 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954.

The Clerk read the title of the bill.

Mr. MILLS. Mr. Speaker, this bill was reported unanimously by the members of the Committee on Ways and Means.

Mr. McCORMACK. Mr. Speaker, the bill H.R. 1877, which was introduced by my colleague from Massachusetts, the Honorable THOMAS P. O'NEILL, JR., would provide relief for the pension fund of the Boston Plumbers Union Local No. 12 by treating such fund as an employees' pension fund which would qualify for tax exemption from the date of its establishment on September 1, 1954 to June 3, 1959, the date on which the Internal Revenue Service ruled that this fund would qualify for tax-exempt status prospectively. I have introduced an identical bill on this subject.

Mr. Speaker, pension funds of the type to which this bill relates have much difficulty in complying with the qualification tests prescribed under present law as a condition to receiving tax-exempt status. The reason is that unlike the typical pension fund which has only one employer, these funds typically are negotiated under collective bargaining contracts with many employers and it is oftentimes difficult, if not impossible, to obtain appropriate data which present law requires in order to determine qualified status. Sometimes these funds initially fail to qualify under the law because of an inadvertent failure to comply with a technicality. However, in all of these cases, it has been the intent of both employers and employees that these funds would qualify under the intent of the law.

If the relief provided in this bill is not granted, contributions made by employers to a fund prior to June 3, 1959 would not be deductible and income of the fund would be taxable to such fund. This is too severe a penalty to be imposed by reason of failure to comply with a technicality, particularly when in order to obtain the relief provided under the bill, an amendment added by the Committee on Ways and Means would require a showing to the appropriate Government officials that the fund had never been operated in a manner which would

jeopardize the interest of the beneficiaries.

I strongly urge favorable consideration of this bill in order to provide the relief that is warranted by this situation.

Mr. O'NEILL. Mr. Speaker, H.R. 1877 would provide relief for the pension fund of the Boston, Mass., Plumbers Union Local No. 12. In effect, this bill would treat this pension fund as a qualified employees' tax-exempt fund from September 1, 1954, when it was established to June 3, 1959, the date on which the Internal Revenue Service ruled that this fund qualified as a tax-exempt pension fund. In the absence of the relief that would be granted by this bill, contributions by employers on behalf of employees prior to June 3, 1959, would not be deductible and any income earned by the fund would be taxable to the fund.

Failure of this fund to qualify as a tax-exempt fund upon its inception was due to an inadvertent failure to qualify with a technicality of present law which was occasioned by the fact that funds of this type are negotiated under collective bargaining agreements with many employers, and it often takes considerable time to obtain the appropriate factual data with respect to the operation of the fund which is required to establish its actuarial soundness. Similar relief was granted during the last session of the Congress to seven similar funds that were faced with a like problem.

Under the bill, as amended by the Committee on Ways and Means, a provision has been added to assure that during the period for which relief would be provided under this bill it must be shown to the Secretary of the Treasury or his delegate that the fund has not been operated in any manner which would jeopardize the interest of the beneficiaries. In order to provide true equity in this situation, I strongly urge favorable consideration of the bill H.R. 1877.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Plumbers Union Local Numbered 12 Pension Fund, which was established by a collective bargaining agreement effective September 1, 1954, and which has been held by the Internal Revenue Service to constitute a qualified trust, under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of said Code, for years ending on or after June 3, 1959, shall be held and considered to have been a qualified trust under said section 401(a), and to have been exempt from taxation under said section 501(a), for the period beginning on September 1, 1954, and ending on June 3, 1959.

With the following committee amendments:

Page 1, line 7, after the word "qualified" strike out the word "trust" and insert in lieu thereof the word "trusts".

Page 2, line 5, strike out "1959." and insert: "1959, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the bill, H.R. 1877, which was introduced by our colleague, the Honorable THOMAS P. O'NEILL, JR., of Massachusetts, would provide relief for the Plumbers Union Local No. 12 Pension Fund, Boston, Mass., by treating the fund as a qualified employees' trust which would be exempt for taxation for the period from its inception on September 1, 1954, to June 3, 1959, the date on which the Internal Revenue Service ruled that this fund would qualify for tax-exempt status. An identical bill for the relief of this union pension fund has been introduced by the distinguished majority leader, the Honorable JOHN McCORMACK, of Massachusetts.

Mr. Speaker, union funds, such as the one for which relief would be provided under this bill, often have difficulty in complying with the test prescribed in present law for qualification as tax-exempt funds prior to the time they receive contributions from the employers involved and have been in operation for some time. The reason for this is the fact that these funds are negotiated under collective bargaining agreements with many employers, large and small, and it often takes considerable time to obtain sufficient factual data with respect to the fund's operation to establish its actuarial soundness. Sometimes the initial failure of such a fund to qualify for tax-exempt status has been due to a technicality inherent in the operation of a fund with multiple employers as contributors.

Where a pension fund of this nature operates for a period without receiving tax-exempt status, any income it may earn during this period is subject to income tax and any employer contributions made thereto during this period are not deductible.

Last year, the Congress in seven similar cases concluded that this loss of exemption for the fund and the denial of deductions to employers for the initial period of their operation was too severe a penalty where it was the intention of both the employers and employees to qualify the fund as a tax-exempt fund but failure to do so was occasioned by inadvertence. Therefore, last year the Congress provided that in the case of these seven funds they were considered to be qualified in the initial period of their operation and up through the time they actually qualified for tax exemption, but only if the Secretary of the Treasury or his delegate found that in this period they had not been operated in a manner to jeopardize the interests of the beneficiaries.

The bill, H.R. 1877, provides the same treatment for the Plumbers Union Local No. 12 pension fund for the period from its inception to June 3, 1959, the date on which it was ruled to be a qualified tax-exempt fund by the Internal Revenue Service. As amended by your committee to include the requirement that

87TH CONGRESS
1ST SESSION

H. R. 4940

IN THE SENATE OF THE UNITED STATES

MAY 11, 1961

Read twice and referred to the Committee on Finance

AN ACT

Relating to duty-free imports of Philippine tobacco.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the duty-free treatment provided for scrap tobacco
4 and filler tobacco described in item B in the schedule to
5 paragraph 2 of article II of the agreement between the
6 United States of America and the Republic of the Philip-
7 pines concerning trade and related matters during a transi-
8 tional period following the institution of Philippine inde-
9 pendence, signed at Manila on July 4, 1946, as revised by
10 the agreement of September 6, 1955, shall apply to only
11 such Philippine articles falling within the class specified in

1 item B in the schedule to that paragraph 2 of article II
2 as are certified by the Government of the Republic of the
3 Philippines to have been allocated for exportation to the
4 United States of America free of duty under the paragraph.

5 SEC. 2. This Act will enter into force on the thirtieth
6 day after the date of its enactment.

Passed the House of Representatives May 10, 1961.

Attest: RALPH R. ROBERTS,

Clerk.

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1975.05.25.

87TH CONGRESS
1ST SESSION

H. R. 4940

AN ACT

Relating to duty-free imports of Philippine
tobacco.

MAY 11, 1961

Read twice and referred to the Committee on Finance

May 18, 1961

14. TOBACCO. The Finance Committee reported without amendment H. R. 4940, to establish for scrap and filler tobacco originating in the Philippines certain requirements to be met before such tobacco can enter the U. S. free of duty (S. Rept. 274). p. 7744

15. IMPORT DUTIES. The Commerce Committee voted to report (but did not actually report) with amendment S. 1210, to amend the Tariff Act of 1930 to modify the import duties on hair of Cashmere goat. p. D365

16. LANDS; FORESTRY. The "Daily Digest" states that the Government Operations Committee deferred action on S. 154, adjusting the legislative jurisdiction exercised by the U. S. over lands in the several States which are used for Federal purposes." p. D365
Sen. Wiley urged additional funds for expansion of the Forest Research Laboratory at Madison, Wisc., and inserted an article endorsing the need for expansion of forest research facilities. p. 7767

17. EDUCATION. Continued debate on S. 1021, to authorize a program of Federal financial assistance for public education, including assistance for schools in federally impacted areas. pp. 7785-7808

18. FOREIGN AID; APPROPRIATIONS. By a vote of 95 to 0, rejected a motion by Sen. Hayden to recede from a Senate amendment to H. R. 6518, to appropriate \$500 million for the Inter-American Social and Economic Cooperation Program and \$100 million for the Chilean Reconstruction and Rehabilitation Program. Agreed to insist on the amendment to the bill and conferees were appointed. pp. 7771-84

19. FEED GRAINS. Sen. Humphrey stated that the feed grains program "is working, and that farmers are signing up, as had been anticipated," and inserted a report of this Department "showing that more than 12,200,000 acres will be diverted from feed grain production this year, because of the passage of the feed grain bill." He called attention to the report of the 10th Federal Reserve District "indicating that as a result of the signup on the feed grains considerable improvement has taken place in the towns and villages of rural America, as well as in the large marketing areas, in terms of actual sales of commodities." pp. 7761-3

20. RESEARCH. Sen. Humphrey submitted for printing a report of the Government Operations Committee, "Coordination of Information on Current Scientific Research and Development Supported by the U. S. Government" (S. Rept. 263). p. 7744

21. FOOD PRODUCTS. Sen. Saltonstall inserted an editorial, "Fish Flour Fills Need," discussing the development and marketing of a need food product, fish flour. p. 7753

22. FATS AND OILS; FOREIGN AID. Sen. Humphrey referred to a recent statement by Sen. Williams, Del., contending that soybean oil was not in surplus supply and, therefore, not eligible for use in the Public Law 480 program, stated that there is a surplus of vegetable oil and that this Department has designated "soybean oil as surplus and quantities have been and will be programmed under Public Law 480." pp. 7761

23. PEACE CORPS. Sen. Humphrey inserted a series of articles "describing the outstanding and successful accomplishments of the International Voluntary Services in South Vietnam clearly enunciates the fact that the program envisioned through the operation of the Peace Corps" can aid underdeveloped nations.
pp. 7754-7

HOUSE cont'd

24. APPROPRIATIONS. Received from the President (May 15) a supplemental appropriation estimate for 1961 of \$250,000 for the Area Redevelopment Administration, Commerce Department (H. Doc. 161).

ITEMS IN APPENDIX

25. SMALL BUSINESS. Extension of remarks of Rep. Kearns inserting excerpts from studies made of the effects of imports and exports on employment of American workers. pp. A3514-5, A3518-9, A3522-4
Extension of remarks of Rep. Lane inserting a statement, "Smaller Business Association of New England Proposals for Congressional Actions, 1961." pp. A3542-5

26. NATURAL RESOURCES. Extension of remarks of Sen. Kefauver inserting Clyde T. Ellis' and J. L. Robertson's (Federal Reserve System) addresses paying tribute to George W. Norris. pp. A3526-8, A3550-1
Extension of remarks of Rep. Harding commanding Interior Secretary Udall and inserting an article, "Stewart Lee Udall, the 'Young Curmudgeon': Man In A Hurry Who Loves His Work." pp. A3555-6

27. COOPERATIVES. Extension of remarks of Rep. Laird inserting resolutions adopted by the Consolidated Badger Cooperatives in support of the free flow of milk principle and opposing "barriers designed to thwart this movement of milk in interstate commerce," and favoring the present income tax treatment of cooperatives. p. A3531

28. FARM PROGRAM. Extension of remarks of Rep. Michel inserting an editorial criticizing the proposed farm bill. pp. A3548-9

29. TAXATION. Extension of remarks by Rep. Ryan inserting an analysis of the President's proposed tax program. pp. A3564-6

30. COTTON. Extension of remarks of Rep. Whitener stating that recently he "pointed out that the faulty packaging of our American cotton being delivered to textile manufacturers in Japan and Hong Kong was a matter which should be looked into at once," and inserting correspondence on this subject. p. A3568

BILLS INTRODUCED

31. ANIMAL DISEASE. S. 1908, by Sen. Talmadge (for himself and others), H. R. 7176, by Rep. Grant, and H. R. 7177, by Rep. Harvey, to provide for a national hog cholera eradication program; to S. Agriculture and Forestry and H. Agriculture Committees. Remarks of Sen. Talmadge. p. 7745

32. REORGANIZATION. H. Res. 302 through 305, by Rep. Monagan, disapproving Re-organization Plans 1, 2, 3 and 4; to Government Operations Committee.

Calendar No. 246

87TH CONGRESS
1st Session {

SENATE

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REPORT
No. 274

CERTIFICATION OF QUOTAS ON CERTAIN PHILIPPINE TOBACCO

MAY 18, 1961.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted
the following

R E P O R T

[To accompany H.R. 4940]

The Committee on Finance, to whom was referred the bill (H.R. 4940) relating to duty-free imports of Philippine tobacco, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

Paragraph 2 (item B) of article II of the trade agreement between the United States and the Republic of the Philippines of July 4, 1946, as revised on September 6, 1955, provided for a duty-free import quota of 6,500,000 pounds of imported scrap and filler tobaccos of Philippine origin per calendar year. Under the agreement this quota is to be reduced in progressive stages every 3 years until January 1, 1974, when the amount of the quota becomes nil. The present quota is 5,850,000 pounds per year. The Philippine Government has historically allocated the tariff-free quota among its tobacco producers based upon their past production records. To assure that the producers will receive the benefit of their allocated portions of the quota, the Philippine Government has controlled exports of such merchandise to the United States through an export licensing arrangement. Traditionally the tobacco exported from the Philippines to the United States has been of the cigar-filler types. The Philippine Government's export licensing arrangement has also had the effect of safeguarding the interests of traditional U.S. importers of such Philippine tobacco.

Recently, however, considerable quantities of low-quality, Flue-cured tobacco, grown in the Philippines, have been exported to the United States. Although such tobacco was not licensed by the Philippine Government for export to the United States, it was shipped to a third country and later transshipped to the United States. Under existing law, U.S. customs authorities are obliged to admit such tobacco duty free under the quota. The charge of this tobacco against the quota results in a reduction in the duty-free quantities which the licensed exporters in the Philippines might otherwise ship to the United States and enter duty free. The admittance of such tobacco duty free into the United States also has two adverse effects on the domestic tobacco industry. First, it permits the duty-free entry of tobacco that is in competition with domestically grown cigarette tobaccos; second, it preempts part of the duty-free quota that would otherwise go to cigar-filler types of tobacco to the disadvantage of traditional importers of cigar-filler tobacco from the Philippines and to the disadvantage of the domestic cigar industry.

H.R. 4940 would prevent the circumvention of the control by the Philippine Government over the exports of Philippine tobaccos to the United States by providing that U.S. customs authorities shall only admit free of duty under the Philippine tobacco quota such tobacco as the Philippine Government has licensed for export to the United States free of duty under the provisions of paragraph 2 of article II of the Philippine-United States Trade Agreement.

The Government of the Republic of the Philippines has indicated to the Finance Committee that it favors the enactment of this legislation.

DEPARTMENTAL REPORTS

THE GENERAL COUNSEL OF THE TREASURY,
Washington, May 18, 1961.

Hon. HARRY F. BYRD,
*Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.*

MY DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 4940, relating to duty-free imports of Philippine tobacco.

The proposed legislation would restrict duty-free treatment for certain scrap and filler tobacco provided in item B in the schedule to paragraph 2 of article II of the Philippine Trade Agreement to such articles which are certified by the Philippine Government to have been allocated for exportation to the United States free of duty under paragraph 2.

Under the proposed legislation, the U.S. Government would be required to assume responsibility for enforcing Philippine allocations unilaterally determined by that Government. While the United States has, on occasion, cooperated in enforcing a foreign country's allocations when special circumstances made it desirable, it is not at the present time performing this function in the manner prescribed in the bill for any foreign government and, in general, we do not believe it appropriate for the United States to assume such responsibility. Accordingly, this Department does not favor enactment of the proposed legislation.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

ROBERT H. KNIGHT, *General Counsel.*

DEPARTMENT OF STATE,
May 18, 1961.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance, U.S. Senate.

DEAR MR. CHAIRMAN: I refer to your request for the Department's comments on S. 1853, a bill, relating to duty-free imports of Philippine tobacco.

S. 1853 is identical with H.R. 4940 prior to its amendment and passage by the House of Representatives on May 10, 1961. The proposed legislation would modify item B, paragraph 2, of article II of the Philippine Trade Agreement of 1946, as amended. The purpose of S. 1853 is to provide that only those tobacco exports licensed by the Philippine Government for shipment to the United States would be eligible for admission into the United States under the duty-free quota applicable to Philippine tobacco.

The Department of State is opposed to that part of S. 1853 which would limit application of the duty-free quota to those "Philippine articles falling within the class specified in item B in the schedule to that paragraph 2 of article II which were imported into the United States on or prior to said September 6, 1955." The Department does not favor such a definitive limitation by the United States of the types of Philippine tobacco eligible for duty-free importation. Moreover, we are of the opinion that this wording in S. 1853 would effectively bar application of the duty-free quota to any Philippine tobaccos imported into the United States after September 6, 1955, and thus would nullify part of the reciprocal value of the trade agreement.

The Department of State would not oppose enactment of legislation such as H.R. 4940 but would defer to the views of other agencies as to its desirability.

The Department of State has been informed by the Bureau of the Budget that from the standpoint of the administration's program there is no objection to the submission of this report for the consideration of your committee.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary
(For the Acting Secretary of State).



Calendar No. 246

87TH CONGRESS
1ST SESSION

H. R. 4940

[Report No. 274]

IN THE SENATE OF THE UNITED STATES

MAY 11, 1961

Read twice and referred to the Committee on Finance

MAY 18, 1961

Reported by Mr. BYRD of Virginia, without amendment

AN ACT

Relating to duty-free imports of Philippine tobacco.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the duty-free treatment provided for scrap tobacco
4 and filler tobacco described in item B in the schedule to
5 paragraph 2 of article II of the agreement between the
6 United States of America and the Republic of the Philip-
7 pines concerning trade and related matters during a transi-
8 tional period following the institution of Philippine inde-
9 pendence, signed at Manila on July 4, 1946, as revised by
10 the agreement of September 6, 1955, shall apply to only
11 such Philippine articles falling within the class specified in

1 item B in the schedule to that paragraph 2 of article II
2 as are certified by the Government of the Republic of the
3 Philippines to have been allocated for exportation to the
4 United States of America free of duty under the paragraph.

5 SEC. 2. This Act will enter into force on the thirtieth
6 day after the date of its enactment.

Passed the House of Representatives May 10, 1961.

Attest: RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
1ST SESSION
H. R. 4940

[Report No. 274]

AN ACT

Relating to duty-free imports of Philippine tobacco.

MAY 11, 1961

Read twice and referred to the Committee on Finance

MAY 18, 1961

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE
(For Department
Staff Only)

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Issued May 29, 1961
For actions of May 26, 1961
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HIGHLIGHTS: Senate received President's proposed foreign aid bill. Sen. Fulbright introduced and discussed this bill. Senate passed bill to provide for establishment of Joint Committee on the Budget. Senate committee reported bill to continue use of surplus commodities to assist underdeveloped areas. Sen. Williams, N. J., urged restrictions on use of Mexican farm labor. House committee voted to report housing bill.

SENATE

1. FOREIGN AID. Received from the President his proposed foreign aid bill; to Foreign Relations Committee (pp. 8469-70). Attached to this Digest are excerpts from the President's letter transmitting the proposed bill.

Sen. Humphrey urged support for the bill and stated that he would do his best "to see to it that our foreign aid program is put on a continuing, long-term basis, rather than operated as a year-by-year, hypodermic, prophylactic treatment which cures nothing." pp. 8524-5

Sen. Fulbright announced that hearings by the Foreign Relations Committee on the bill would begin Wed., May 31. p. 8476

The Foreign Relations Committee voted to report (but did not actually report) with an amendment in the nature of a substitute bill S. 324, to provide for the establishment of a White Fleet of ships to render emergency assistance, including food supplies, to people of other nations in case of disaster. p. D394

The Foreign Relations Committee voted to report without amendment S. Res. 128, expressing it as the sense of the Senate that the President should explore with other nations the establishment of an international food and raw materials reserve under the auspices of the United Nations and related international organizations for the purpose of acquiring and storing in foreign countries raw or processed farm products and other raw materials. p. D394

2. SURPLUS COMMODITIES; FOREIGN AID. The Foreign Relations Committee reported without amendment S. 1720, to continue the authority of the President under title II of Public Law 480 to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas abroad (S. Rept. 290). p. 8470
3. BUDGETING. Passed without amendment S. 529, to amend the Legislative Reorganization Act of 1946 so as to provide for a Joint Committee on the Budget to evaluate the fiscal requirements of the executive agencies of the Government, etc. (pp. 8490-1). See Digest 83 for a summary of the bill.
4. TOBACCO. Passed without amendment H. R. 4940, to establish for scrap and filler tobacco originating in the Philippines certain requirements to be met before such tobacco can enter the U. S. free of duty. This bill will now be sent to the President. p. 8493
5. PERSONNEL. Passed without amendment S. 1456, to authorize an additional Assistant Secretary of Commerce. p. 8490
6. LAND. Passed without amendment S. 537, to amend the Surplus Property Act of 1944 so as to remove a technical restriction on the conveyance of surplus land for historic-monument purposes. p. 8491
7. PUBLICATIONS. Passed without amendment S. 540, to authorize agencies of the Federal Government to pay in advance for required publications. p. 8491
8. SURPLUS PROPERTY. Passed without amendment S. 796, to amend the Federal Property and Administrative Service Act so as to authorize the use of surplus property by State distribution agencies. p. 8492
9. HOUSING. Passed over, at the request of Sen. Muskie, S. 1922, the omnibus housing bill. p. 8494
10. TREASURY-POST OFFICE APPROPRIATION BILL, 1962. Passed over, at the request of Sen. Muskie, this bill, H. R. 5954. p. 5496
11. FARM PROGRAM. Sen. Symington inserted the testimony of Secretary Freeman before the S. Agriculture and Forestry Committee on May 3 in support of S. 1643, the farm bill. pp. 8479-83
12. FARM LABOR. The names of Sens. Hart, Proxmire, Dodd, Clark, Morse, Gruening, Kefauver, Case, N. J., Bartlett, Muskie, Long (Hawaii), and Burdick were added as cosponsors of S. 1945, to extend and amend the Mexican farm labor program. p. 8476
13. RURAL AFFAIRS. Passed without amendment S. 1869, to provide for the establishment of a commission on problems of small towns and rural counties. pp. 8494-5
14. GRAPES AND PLUMS. Passed without amendment S. 1462, authorizing the Secretary of Agriculture to establish minimum standards of quality for the exportation of any variety of grapes and plums. p. 8496
15. FARM LABOR. Sen. Williams, N. J., criticized the Mexican farm labor program, saying "providing foreign workers better protections than we accord American citizens raises the serious question of whether the rights and privileges of

DUTY-FREE IMPORTS OF PHILIPPINE TOBACCO

The bill (H.R. 4940) relating to duty-free imports of Philippine tobacco was announced as next in order.

THE PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill.

MR. BYRD of Virginia. Mr. President, the bill H.R. 4940 would limit imports of certain Philippine tobaccos that may be charged to the United States duty-free quota, to those tobacco exports licensed by the Philippine Government for charge against the quota.

When the Philippines were granted their independence the agreement with that country called for a gradual imposition of import restrictions so that by 1974 our commercial relations will be on the same basis as with all other countries.

A duty-free quota of 6,500,000 pounds of filler and scrap tobacco was granted, this quota to be reduced year by year until by 1974 it will cease to exist. In order to make the transition orderly, the Philippine Government has granted licenses for the export of tobaccos under that quota.

The intent of that government has been circumvented by some who purchase Philippine tobaccos for shipment to other countries where no quota regulations exist, then trans-shipping that tobacco to the United States. The charge of this tobacco against the quota results in a reduction in the duty-free quantities which the licensed exporters in the Philippines might otherwise ship to the United States and enter duty-free.

This practice has been upsetting to the Philippine Government and to the tobacco growers of that country as well as to the regular market in the United States. The bill would allow imports under the quota to come in only if certified and licensed by the Philippine Government for shipment under that quota.

THE PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

RESTORATION TO INDIAN TRIBES OF PAYMENTS OF TRIBAL TRUST FUNDS

The bill (S. 1768) to provide for the restoration to Indian tribes of unclaimed per capita and the individual payments of tribal trust funds was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That unless otherwise specifically provided by law, the share of an individual member of an Indian tribe or group in a per capita or other distribution, individualization, segregation, or proration of Indian tribal or group funds held in trust by the United States, or in an annuity payment under a treaty, heretofore or hereafter authorized by law, shall be re-

stored to tribal ownership if for any reason such share cannot be paid to the individual entitled thereto and remains unclaimed for a period of six years from the date of the administrative directive to make the payment, or one year from the date of this Act, whichever occurs later: *Provided*, That if such individual is a member of an Indian tribe or group that has no governing body recognized by the Secretary of the Interior as authorized to act on behalf of the tribe or group, such unpaid share shall be regarded as not capable of restoration to a tribal or group entity and shall be deposited in the general fund of the Treasury of the United States.

DOCUMENTATION AND INSPECTION OF VESSELS OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 1222) relating to documentation and inspection of vessels of the United States, which had been reported from the Committee on Commerce, with an amendment, on page 1, line 8, after the word "be", to strike out "subject to inspection, solely because such vessel takes on board on the high seas and transports without charge to a port of the United States the catch of another fishing vessel of the United States" and insert "considered as engaged in the transportation of freight for hire, solely because such vessel occasionally takes on board on the high seas and transports without a monetary consideration to a port of the United States, the catch of another fishing vessel of the United States", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the laws of the United States relating to documentation and inspection of vessels of the United States, a vessel enrolled and licensed, or licensed as a vessel of the United States to engage in the fishery, shall not be deemed to be used in employment for which not licensed, and considered as engaged in the transportation of freight for hire, solely because such vessel occasionally takes on board on the high seas and transports without a monetary consideration to a port of the United States, the catch of another fishing vessel of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

PARTICIPATION BY NATIONAL GUARD IN REENACTMENT OF BATTLE OF FIRST MANASSAS

The Senate proceeded to consider the bill (S. 1342) to provide that participation by members of the National Guard in the reenactment of the Battle of First Manassas shall be held and considered to be full-time training duty under section 503 of title 10, United States Code, and for other purposes, which had been reported from the Committee on Armed Services, with amendments, on page 1, line 7, after the name "Manassas", to strike out "or in any other historical reenactment, pageant, or ceremony officially sanctioned or sponsored by the Civil War Centennial Commission (pursuant to its authority under the Act

of September 7, 1957 (71 Stat. 626),", and on page 2, line 6, after the word "duty", to insert "under a call or order to perform training"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any member of the Army National Guard of the United States or the Air National Guard of the United States who, in his status as a member of the National Guard, voluntarily participates in the reenactment of the Battle of First Manassas shall, while participating in and while proceeding directly to and from any such reenactment, pageant, or ceremony, be held and considered to be engaged in full-time training duty under a call or order to perform training under the provisions of section 503 of title 32, United States Code; but no such member shall be entitled to any pay or allowances from the Federal Government on account of his participation in any such reenactment, pageant, or ceremony.

(b) With respect to the transportation of members described in subsection (a) of this section, maximum utilization shall be made of transportation facilities issued to National Guard units by the Federal Government, and in any case in which such facilities are inadequate for such purpose, transportation facilities of the Armed Forces may be used to the extent deemed practicable by the Secretary of Defense.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to provide that participation by members of the National Guard in the reenactment of the Battle of First Manassas shall be held and considered to be full-time training duty under section 503 of title 32, United States Code, and for other purposes.

PLUMBERS UNION LOCAL NO. 12 PENSION FUND

The bill (H.R. 1877) relating to the effective date of the qualification of Plumbers Union Local No. 12 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954 was announced as next in order.

THE PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments, on page 2, after line 8, to insert a new section, as follows:

SEC. 2. (a) Section 809(d)(11) of the Internal Revenue Code of 1954 (relating to deductions in computing gain from operations in the case of certain mutualization distributions) is amended by striking out "in 1958 and 1959" and inserting in lieu thereof "in 1958, 1959, 1960, and 1961".

(b) Section 809(g)(3) of such Code (relating to application of section 815 to certain mutualization distributions) is amended by striking out "in 1959" and inserting in lieu thereof "in 1959, 1960, or 1961".

(c) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1959.

And, after line 20, to insert a new section, as follows:

SEC. 3. (a) Paragraph 1102(b) of the Tariff Act of 1930, as amended (19 U.S.C. 1001; par. N02), is amended by striking out "Cashmere goat," and by inserting after "other like animals" the following: "(including hair of animals like the Cashmere goat)".

(b) Paragraph 1102 of such Act is further amended by adding at the end thereof the following new subparagraph:

"(c) Hair of the Cashmere goat, in the grease or washed, 18 cents per pound of clean content; scoured, 21 cents per pound of clean content; on the skin, 16 cents per pound of clean content, sorted, or matchings, if not scoured, 19 cents per pound of clean content."

(c) The amendments made by this section shall apply to articles entered, or withdrawn from warehouse, for consumption, on or after the date of enactment of this Act, and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment.

The amendments were agreed to.

Mr. BYRD of Virginia. Mr. President, H.R. 1877, as passed by the House, provided for the retroactive qualification under the Internal Revenue Code of the Plumbers Union, Local No. 12, pension fund, Boston, Mass., for the period prior to June 3, 1959, the day it qualified under the Internal Revenue Code. Last year in Public Law 86-781 and Public Law 86-779 Congress approved similar retroactive qualifications of seven other negotiated pension plans. This plan had not been brought to the attention of Congress in time to have been covered by the 1960 legislation. The bill permits contributions to the fund by employers to be deductible for Federal income tax purposes and insures tax exemption of income earned by the fund during the period mentioned.

Two amendments were added to the bill by the Committee on Finance. The first amendment, offered by Senator WILLIAMS, continues for 2 years, 1960 and 1961, the provision in the Life Insurance Company Income Tax Act of 1959 which permitted certain stock companies which had adopted a plan of mutualization prior to January 1, 1958, to deduct amounts expended in redeeming their outstanding stock from their shareholders in compliance with the plan of mutualization. It has developed that at least one such mutualized company was unable to complete its plan of mutualization within the period provided in the 1959 act. For this reason, your committee deemed it advisable to extend the period for 2 years, 1960 and 1961.

The other amendment approved by the Committee on Finance was offered by Senator McCARTHY. It provides for reduced tariffs in the case of cashmere goat hair. The reduced tariffs provided by this bill are the same as those which were in effect under the trade agreement with Iran until the termination of that agreement. There is no known commercial production of cashmere in the United States. Further it does not appear that imported cashmere is competing with domestically produced sheep's wool and mohair. The reduced tariff provided by this amendment will apply to cashmere hair regardless of where in the world it was produced.

Mr. President, I have an amendment to the bill. The amendment is similar in purpose to the original House passed bill. It provides that the pension fund of the Composition Roofers, Damp and Waterproof Workers Association, Local Union No. 8, New York City, shall be deemed to have been qualified under the Internal Revenue Code for the period prior to November 24, 1958, the date on which it was held by the Internal Revenue Service to be qualified. Like the House version of H.R. 1877, this fund was not brought to the attention of the Congress in time to be included in the 1960 legislation. The amendment permits income-tax deduction for contributions by employers and provides tax exemption for income earned by the trust.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill to add the following new section, as follows:

SEC. 4. The pension fund of the slate, tile, and roofing industry in New York City, which was created as a result of an agreement between the Composition Roofers, Damp and Waterproof Workers Association, Local Union No. 8, and several employer associations and other individual employers in the industry, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, shall be held and considered to have been a qualified trust under such section 401(a) and to be exempt from taxation under such section 501(a), for the period beginning July 1, 1957, and ending November 24, 1958, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interest of its beneficiaries.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act relating to the effective date of the qualification of Plumbers Union Local No. 12 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and for other purposes."

BILL PASSED OVER

The bill (S. 1922) to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MUSKIE. Over.

The PRESIDING OFFICER. The bill will go over.

COMMISSION ON PROBLEMS OF SMALL TOWNS AND RURAL COUNTIES

The bill (S. 1869) to provide for the establishment of a commission on problems of small towns and rural counties was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled

ESTABLISHMENT OF THE COMMISSION

SECTION 1. There is hereby established a Commission to be known as the Commission on the Problems of Small Towns and Rural Counties (a small town being designated as having a population of less than ten thousand and a rural county being designated as having a population of less than fifty thousand) hereinafter referred to as the "Commission."

MEMBERSHIP OF THE COMMISSION

SEC. 2. (a) The Commission shall be composed of twenty members as follows:

(1) Six appointed from the Senate by the President of the Senate, four from the majority party and two from the minority party;

(2) Six appointed from the House of Representatives by the Speaker of the House of Representatives, four from the majority party and two from the minority party; and

(3) Eight appointed by the President of the United States as follows:

(A) Two from among the heads of Federal departments and agencies;

(B) Two from among the Governors of States having problems affecting small towns, not more than one from the same political party;

(C) Two from among the mayors of small towns in the United States, not more than one from the same political party; and

(D) Two from among the elected officials of rural counties in the United States, not more than one from the same political party.

(b) The members of the Commission shall select a Chairman from among such members from the Congress, and a Vice Chairman from among such members from the House of Congress other than that of the Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Twelve members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall make a full and complete investigation and study of Federal policies and programs relating to the needs and problems of the Nation's small town and rural county areas for the purpose of determining—

(1) the present and prospective needs of the Nation's small town and rural county areas for public services, including but not limited to planning, highways, water resources, recreation facilities, prevention of juvenile delinquency, municipal and county financing, and business expansion, including ways and means to induce new business to small town and rural county areas;



Public Law 87-47
87th Congress, H. R. 4940
June 16, 1961

An Act

75 STAT. 92.

Relating to duty-free imports of Philippine tobacco.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the duty-free treatment provided for scrap tobacco and filler tobacco described in item B in the schedule to paragraph 2 of article II of the agreement between the United States of America and the Republic of the Philippines concerning trade and related matters during a transitional period following the institution of Philippine independence, signed at Manila on July 4, 1946, as revised by the agreement of September 6, 1955, shall apply to only such Philippine articles falling within the class specified in item B in the schedule to that paragraph 2 of article II as are certified by the Government of the Republic of the Philippines to have been allocated for exportation to the United States of America free of duty under the paragraph.

Philippine
tobacco.

61 Stat. 2611.
6 UST 2981.

SEC. 2. This Act will enter into force on the thirtieth day after the date of its enactment.

Approved June 16, 1961.

